

Short of RM94b target, Najib asks local investors to stay home

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By Shannon Teoh

KUALA LUMPUR, Sept 15 — Putrajaya admitted today that domestic investments were not on track to meet the RM94 billion annual target but insisted that the government has “provided the platform” for investors.

Datuk Seri Najib Razak asked the local private sector to “be the true engine of growth” and promised that his administration would “work harder” to pave the way for investors to “create wealth in your own country.”

After revealing that direct domestic investment (DDI) in manufacturing from January to July amounted to RM15.9 billion and RM11 billion was poured into the services sector in the first quarter of the year, the prime minister said that “the figures are trying to tell us that we have quite some way to go.”

Speaking at the Domestic Investment Summit today, Najib (picture) said that the Economic Transformation Programme (ETP) aimed to reverse the foreign direct investment (FDI) to DDI ratio which stood at 60:40 in the past five years.

With manufacturing investments now split evenly between foreign and domestic sources, he added that “the trend is changing” towards the ETP target of 73 per cent of private investments for the 10 years until 2020 to be from local investors.

Najib, who is also finance minister, said that in the last summit in December 2009, investors had cited the large GLC presence, shortage of skilled workers, bureaucracy, government opaqueness and inefficiency as obstacles in delivering the RM940 billion local private investment targeted by the ETP in the decade prior to 2020.

“Each and every issue that you raised has been addressed,” he insisted, adding that some efforts had an immediate impact while others would take some time “to leave its mark.”

The Najib administration is due to table its 2012 budget on October 7 as ongoing debt crises in Europe and the United States are expected to hamper Malaysia’s export-oriented economy.

In recent weeks, PM Najib has courted investors and financial institutions, saying today that he listened to several proposals by leading chief executives at the Forbes CEO conference earlier this week.

He has repeatedly boasted that the Geneva-based World Economic Forum’s Global Competitiveness Report ranked Malaysia as the 21st most competitive market in the world, up five places from last year and told investors today that “I believe we will do better next year.”

Although Malaysia’s economy rebounded to a 7.2 per cent growth last year after shrinking by 1.7 per cent in 2009, momentum has slowed with the GDP growing by just 4.9 and 4 per cent in the first two quarters of the year respectively.

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